

EXHIBIT B

1 UNITED STATES BANKRUPTCY COURT
2 DISTRICT OF NEW JERSEY
3 CHAPTER 7
4 CASE NO. 16-12781 (MBK)

5 ORIGINAL

6 - - - - -
7 IN RE:

8
9 JOSEPH S. RACCUIA,
10 Debtor.
11 - - - - -

12
13
14 DEPOSITION OF JOSEPH S. RACCUIA
15 taken by and before JOSEPH NATALE, a Certified
16 Shorthand Reporter and Notary Public of the
17 State of New Jersey, at the law offices of FOX
18 ROTHSCHILD LLP, 75 Eisenhower Parkway, Roseland,
19 New Jersey, on Tuesday, September 13, 2016,
20 commencing at 11:09 in the forenoon..
21
22

23 J&M REPORTING SERVICE
24 28 Bloomfield Avenue, Suite 204
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Joseph S. Raccuia

11

1 Q. How long have you been practicing
2 under Joseph S. Raccuia MD PC?

3 A. About six months, maybe.

4 Q. When did H & T stop operating?

5 A. From my recollection, you know,
6 when I, when I was out of work.

7 And that was October, 2014, maybe.
8 And I can't recall, there might have been some
9 action, some, you know, with collectibles, but
10 that's basically more or less when it stopped,
11 as far as I can remember.

12 Q. So approximately a year and a --

13 A. Yeah.

14 Q. Half --

15 A. Yeah.

16 Q. Gap --

17 A. Yeah.

18 And like I said, I'm not sure if
19 there was any work done on that but, but, yes,
20 more or less.

21 Q. When you say "on that" --

22 A. On H & T.

23 I'm sorry.

24 Q. Were you practicing in-between H &
25 T and Joseph S. Raccuia MD?

Joseph S. Raccuia

13

1 A. During the course of her school
2 year, yes.

3 Q. Do you recall how much in tuition
4 payments?

5 A. I think it was about sixty, sixty
6 thousand a year, something like that.

7 Fifty. Fifty something.

8 Q. I'll get to the big question.
9 What was the cause of your
10 bankruptcy filing?

11 A. A number of issues.

12 The biggest one, quite frankly,
13 which I have to take full, you know,
14 embarrassing responsibility for, I had tax
15 issues.

16 The woman I was married to, we
17 were separated for five, six years before we got
18 divorced, and we initiated a divorce, and the
19 lawyers ate up a ton of money, so, we just said,
20 you know what, let's, let's just, you know,
21 leave it alone. So she went her way, I went my
22 way.

23 During that time, and, you know,
24 the history that we had, she was a spender, huge
25 spender. And instead of me paying taxes, I used

Joseph S. Raccuia

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1 to pay for her bills, so I ended up with a huge,
2 huge tax liability.

3 And that was part of it.

4 The other thing is that, you know,
5 why I got divorced, you're asking personally,
6 emotionally?

7 Q. I'm asking why you filed for
8 bankruptcy?

9 A. Oh, because, it really initiated
10 with the huge tax burden I had.

11 So then I thought I was able to,
12 with my income, sustain the costs of the taxes,
13 the divorce, and then what happened, was, in
14 October, 2014, I had been at NYU for five years,
15 I was at St. Vincent's for twenty years before
16 that in Manhattan, Greenwich Village, and they
17 went bankrupt.

18 I went to NYU and I had a huge
19 falling out with the department. They wanted me
20 to become a faculty doctor and I said okay, and
21 then when they presented their plan to me it
22 was, it was not a good plan, and I said no, and
23 then they made my life miserable.

24 I don't know if you -- if you
25 understand or, or I can let you understand.

Joseph S. Raccuia

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1 Q. Have you owned any other property
2 in the last ten years?

3 A. No.

4 Q. Have you ever owned property at
5 342 West 15th Street?

6 A. No.

7 Q. No.

8 Have you ever owned property at
9 70A Greenwich Ave, Suite 101, New York?

10 A. No.

11 Q. Or rent property at that address?

12 A. It's a drop box.

13 Q. A drop box?

14 A. Um-hum.

15 Q. For business?

16 A. Yes.

17 Q. What about the 342 West 15th --

18 A. A rental apartment.

19 Q. Did you reside there?

20 A. I had lived there for about a
21 year.

22 Q. When?

23 A. Up until, I think, April, 2015.

24 Q. So you lived there after you lived
25 at 113 Bedford?

Joseph S. Raccuia

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1 A. I lived in a few places. I lived
2 in -- somebody gave me an apartment to live in
3 for two years, one of my patients, when I
4 separated, in the Village, on James Street.

5 And then I moved to Soho for about
6 three years, and then I got -- I moved to 15th
7 Street after that.

8 Q. Do you own any vacation homes or
9 time-shares in the last ten years?

10 A. No.

11 Q. Did you purchase any properties
12 for your daughters in the last ten years?

13 A. No.

14 Q. Do you receive any rental income
15 from 113 Bedford Street?

16 A. No.

17 Q. Have you ever received rental
18 income in the last ten years from any property?

19 A. No.

20 Q. Go back to T-2, which is your
21 bankruptcy petition. Your attorney could help
22 you.

23 I'm going to go to what's called
24 Schedule B.

25

Joseph S. Raccuia

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1

2

(Whereupon T-4 is received and

3

marked for identification.)

4

5

Q. Do you recognize what's been

6

marked as T-4?

7

A. Yes, it's funny, I don't -- I

8

vaguely remember this, but I, quite frankly, I

9

don't even know -- remember what it's about.

10

Q. Well it's called a "Joseph S.

11

Raccuia Irrevocable Trust".

12

Do you recall creating an

13

irrevocable trust?

14

A. Vaguely.

15

And it was tied into a Will that

16

was never created.

17

Q. A Will for who?

18

A. For, for me.

19

For me to make a Will back then.

20

Q. Do you recall what the purpose of

21

the trust was?

22

A. Not really.

23

Q. Do you recall if you transferred

24

any assets into the trust?

25

A. I do not.

Joseph S. Raccuia

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1 Q. It lists Angelo Natoli as the
2 trustee.

3 Does that ring a bell for you?

4 A. Yes, he's my accountant.

5 Q. Did you have any conversations
6 with him about this trust, in the last couple
7 years?

8 A. No.

9 I mean this is like -- I didn't
10 even remember this.

11 Q. So you don't recall giving or
12 transferring any assets into it?

13 A. No.

14 Q. Do recall taking any assets out of
15 the trust?

16 A. No.

17 Q. Have you created any other trusts
18 at any point in time?

19 A. No.

20 Q. Do you currently have any life
21 insurance policies?

22 A. I do.

23 Q. Whole or term?

24 A. Term.

25 Q. Is there a cashout value?

Joseph S. Raccuia

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1 A. Not really.

2 I mean everything, everything that
3 she had was already really her's.

4 Q. So other than real estate, is
5 there any property or assets of note that were
6 given to your ex-wife or that she was able to
7 claim as a result of the divorce?

8 A. No.

9 Q. Turning back to your petition,
10 that's T-2, I believe.

11 You have the offices of H & T
12 listed on page 16.

13 A. Okay.

14 Q. It says your percentage of
15 ownership is a hundred percent.

16 But just to be clear, you said,
17 earlier, if I'm correct, it's not operating?

18 A. Correct.

19 Q. And when was the last time it
20 operated?

21 A. I, I believe in 2014, when I left
22 NYU.

23 Q. Where was it located?

24 A. In New York City.

25 Q. What was its office address?

Joseph S. Raccuia

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1 Q. Who kept the books and records for
2 the business?

3 A. My accountant, Angelo Natoli.

4 Q. Did you use any kind of QuickBooks
5 or Peach Tree or other accounting software to
6 keep track, yourself, of the business?

7 A. No.

8 Q. Did the business have any income
9 in 2015?

10 A. I don't know the answer to that,
11 actually.

12 Q. Did you ever make any loans to the
13 business?

14 A. I might have over the years, if I
15 had low -- if I had low receivables and I needed
16 to pay bills I might have, maybe a couple of
17 times, but I don't recall, distinctly.

18 Q. Did you ever transfer any assets
19 to the business?

20 A. No.

21 Q. And you said you currently have a
22 practice under your own name, Joseph S. Raccuia,
23 MD, correct?

24 A. Correct.

25 Q. And that was started, you said,

Joseph S. Raccuia

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1 are exclusive to Joseph S. Raccuia MD?

2 A. If that's -- if this is an
3 accounting thing from my accountant, yes.

4 Q. Do you use a billing company to
5 bill out your receivables?

6 A. Yes.

7 Q. What's the name of the billing
8 company?

9 A. It's MedPro Systems.

10 Q. How long have you been using them?

11 A. Probably since 2 -- I'm going to
12 say, '11, '12.

13 Q. So you were using them with H & T,
14 previously?

15 A. Yes.

16 Well, well up until, you know, H &
17 T is older than that, but, yes, they came on
18 board and H & T was still in effect.

19 Q. Do you have any separate company
20 that's collecting receivables or are they paid
21 directly to your office?

22 A. No, they pay to me.

23 Q. Are receivables still being
24 collected from H & T?

25 A. You know, I don't think so.

Joseph S. Raccuia

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1 I don't know the answer to that.

2 Q. Do you know how much is
3 outstanding in receivables for H & T?

4 A. You know, I hope to get that
5 information before we leave today.

6 Q. Would MedPro have information for
7 what's outstanding for --

8 A. That's who's working on it.

9 Q. Do you have contact information
10 from MedPro?

11 A. Yes.

12 The number is 646-559-8594.

13 Q. Do you recall the last time you
14 received any payments on account of receivables
15 due to H & T?

16 A. I don't recall directly, no.

17 Q. Do you believe the receivables
18 from H & T are still collectible?

19 A. I think some of them are still
20 collectible, I think there are older ones that
21 are -- that would be a tough, a tough sell, but
22 it depends on who was dealing with that, that,
23 you know, that money.

24 There are some people out there
25 that I think would buy them at a cut rate, but

Joseph S. Raccuia

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1 the older they get, the less attractive they are
2 to, to these, these people, you know, I forgot
3 what they call them.

4 Q. Somebody who wants to buy them --

5 A. No, but there are companies that
6 do this.

7 There are companies that actually
8 do this, you know, for a living.

9 Q. Is MedPro still actively still
10 trying to collect H & T receivables?

11 A. I don't know, because I don't know
12 what's actually still viable because you have to
13 remember, when you're dealing with a billing
14 company, they're, they're looking at stuff
15 that's -- they're happy -- they'll deal with six
16 months, after six months, the stuff might not be
17 viable and I don't know how active they are.

18 And then other -- there are other
19 people that, that take interest in those, but
20 usually then it becomes a collection issue and
21 billing companies don't want to get involved in
22 that.

23 Q. And you're going to provide us
24 with some documentation with respect to the H &
25 T receivables, correct?

Joseph S. Raccuia

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1 don't understand.

2 You're talking about in February?

3 Q. Your petition was filed on
4 February 17, 2016 and according to the schedule
5 here your monthly income at that time was
6 eighty-three thousand nine hundred dollars.

7 A. Again, if it says that, that's
8 probably when I started collecting money then,
9 again.

10 Q. Was your income, at that point,
11 strictly from your practice, Joseph S. Raccuia,
12 MD?

13 A. Well I had no income, really,
14 except that.

15 Q. So your only source of income when
16 you filed for bankruptcy was from your practice?

17 A. Yes.

18 Q. Did you have any income from H & T
19 when you filed for bankruptcy?

20 A. I don't recall.

21 Because, remember, that was
22 dwindling down and the reason that I had these
23 horrible -- this horrible period of time,
24 really, it got cut off right away because
25 those -- remember, those claims that we put out,

Joseph S. Raccuia

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1 Q. And T-12, do you recognize T-12?

2 A. 2015, yes, I -- this is H & T?

3 Yes, I do.

4 Q. H & T tax return --

5 A. Yes.

6 Q. 2015?

7 A. Yes.

8 Q. The total income is listed as
9 sixty-five thousand eight-hundred six dollars.

10 What kind of income was that?

11 A. It was probably whatever was
12 residual, after I stopped working.

13 Q. Related to receivables?

14 A. Probably yes.

15 Q. Do you anticipate there will be
16 income for 2016?

17 A. On H & T?

18 No. I mean, no, I don't think so.

19 I mean sometimes there is dribs
20 and drabs of things, but I don't think so,
21 offhand, no.

22 MR. HERZ: I might take a quick
23 break.

24

25 (Whereupon there is a short recess

Joseph S. Raccuia

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1 A. Yes.

2 Q. On October 28, 2015 --

3 A. The same page or --

4 Q. Next page.

5 A. Got it.

6 Q. There is a thirty thousand dollar
7 wire, again, with the due to H & T notation.

8 Do you recall what that wire is
9 for?

10 A. No.

11 Q. Was H & T operating in October 28,
12 2015?

13 A. It was still open.

14 Q. But was the business operating?

15 A. Remember, I stopped -- let's see.

16 The exact date that I stopped
17 working was, was October, middle of October,
18 2015, so it wasn't closed the day after I
19 worked.

20 Q. I thought earlier you testified
21 you didn't work, at all, in 2015?

22 A. Oh, 2014?

23 Oh maybe -- you're absolutely
24 right.

25 I apologize.

Joseph S. Raccuia

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1 Q. Do you need to take a break?

2 MR. FISCHER: What was the correct
3 answer, Doctor?

4 THE WITNESS: It was 2014.

5 Q. 2014 is when you stopped working?

6 A. Yes.

7 Q. So this transfer now --

8 A. So --

9 Q. This wire is made October 28, 2015
10 for thirty thousand.

11 If H & T is no longer operating
12 why is a thirty thousand dollar wire being made
13 to it?

14 A. Because it's maybe money, money
15 that the -- remember, the, the PC is still open
16 at this point.

17 Q. The H & T PC?

18 A. Yes.

19 Q. So the company is still in
20 existence?

21 A. Yes.

22 Q. What's the thirty thousand dollars
23 used for?

24 A. I don't know.

25 Maybe, maybe, again, remember, I

Joseph S. Raccuia

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1 A. Got it.

2 Q. There is a deposit, due to the
3 offices of H & T notation, for twenty-seven
4 thousand eight-hundred fifty-five dollars.

5 A. That one I know.

6 That one was a, the -- that
7 lawsuit against Dr. Hirsch.

8 The --

9 Q. That's the settlement --

10 A. Yes --

11 Q. Funds --

12 A. Yes, after he took his, his, his
13 piece of it, the lawyer.

14 Q. So you received the settlement
15 funds in December, 2015?

16 A. Yes.

17 Q. Do you recall what happened to the
18 settlement funds?

19 A. Again, same thing that happened
20 with everything else, I used it to pay these big
21 expenses of mine, to keep myself afloat.

22 Q. Did you receive the rest of the
23 forty thousand dollars in settlement funds at
24 some point?

25 A. No, that, that was the forty

Joseph S. Raccuia

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1 A. Hold on.

2 Can you start with the page,
3 please?

4 Q. Start at page 64.

5 A. Got it.

6 Payments for?

7 Q. There is various payments.

8 You said before you didn't think
9 the account was being regularly used but it
10 seems to be regularly used on various expenses.

11 There's entertainment expenses,
12 iTune expenses, automobile expenses --

13 A. Well those are business expenses.

14 Q. How are they business expenses?

15 A. Well you have to talk to my
16 accountant how he does that.

17 Q. Is there a reason that H & T would
18 need to pay iTunes --

19 A. Well in the office I have a
20 television.

21 Q. Well H & T is not operating in
22 January, 2016.

23 A. Again I don't know.

24 This is an accounting question.

25 I'm sorry, I don't know the answer

Joseph S. Raccuia

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1 to that.

2 Q. There is a lot of restaurants, I
3 think I see Jean Georges in here, Zafra
4 Kitchens, a number of other places.

5 Cafe Mogador.

6 Did you use this account for
7 personal expenses?

8 A. Again, whatever they -- what
9 happens, is, as I told you before, sometimes,
10 you know, I have two cards, a personal and a
11 business, and a lot -- all the time, you know,
12 they're always calling me on the phone. Don't
13 use that card for this, don't use that card for
14 that, and I get all, you know, mumbo jumbo'd.

15 I do know they back it out,
16 afterwards, whatever is actually deductible and
17 whatever is not. So that's, to me, an
18 accounting question.

19 I can't answer you completely
20 because I don't know, from an accounting
21 standpoint, quite frankly, what is really
22 deductible and what is not.

23 Q. Looking at these statements,
24 though, would you say that the account was
25 regularly being used to pay expenses in the

Joseph S. Raccuia

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1 months before you filed for bankruptcy?

2 A. Expenses for --

3 Q. Anything.

4 A. Expenses for business, obviously.

5 Again, it's an accounting

6 question.

7 Q. Well --

8 A. In fact, he puts here

9 "entertainment", "automobile".

10 Q. And you don't know why these were
11 business expenses?

12 A. That's an accounting question.

13 I wish, I wish I could answer you
14 that.

15 I don't know. I don't know the
16 details of accounting to that level.

17 Q. Would there be any reason to pay
18 business expenses for H & T in January --

19 A. Well --

20 Q. 2016?

21 A. Well as I said to you, I still --
22 H & T was not, was not defunct.

23 H & T still accrued expenses, you
24 know, and I keep bringing up the biggest one was
25 my malpractice, and that should reflect what